

3/17/15

1:33 P.M.

Chapter No. 365
15/HR31/R516
CST/NC

HOUSE BILL NO. 110

Originated in House



Clerk

HOUSE BILL NO. 110

AN ACT TO AMEND SECTION 25-15-101, MISSISSIPPI CODE OF 1972, TO REMOVE CERTAIN RESTRICTIONS PLACED ON THE GOVERNING BOARDS OF POLITICAL SUBDIVISIONS TO QUALIFY AS A SELF-INSURER FOR GROUP INSURANCE; TO BRING FORWARD SECTION 25-15-103, MISSISSIPPI CODE OF 1972, FOR PURPOSES OF POSSIBLE AMENDMENT; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. Section 25-15-101, Mississippi Code of 1972, is amended as follows:

25-15-101. The governing board of any county, municipality, municipal separate school district, other school district or community/junior college district, and the governing board or head of any institution, department or agency of any county or municipality may negotiate for and secure for all or specified groups of employees and their dependents of such county or municipality, or institution, department or agency of such county or municipality, or municipal separate school district, other school district or community/junior college district, a policy or policies of group insurance covering the life, except as

hereinafter provided, salary protection, health, accident and hospitalization, as well as a group contract or contracts covering hospital and/or medical and/or surgical services or benefits (including surgical costs, so-called "hospital extras," medical expenses, allied coverages and major medical costs) of such of its employees and their dependents as may desire such insurance and other coverage under such service or benefit contracts, and who shall authorize in writing the deduction from the salary or wages of such employees of the proportionate part of the costs thereof attributable to such employees. However, beginning with the 1984-1985 school year, school districts shall provide the policies of group insurance to certificated personnel. Any employee who desires to reallocate or reduce any part of his or her salary or wages for a cafeteria fringe benefit plan in accordance with current requirements of Section 125 et seq. of the Internal Revenue Code for himself or herself and/or for his or her dependent(s) shall authorize, in writing, the deduction from the salary or wages of such employee the proportionate part of the costs thereof attributable to such employee. Any amount so deducted shall be transferred into the general fund or contingent fund of such county or municipality, or the operating fund of such institution, department or agency of the county or municipality, or the maintenance fund of such municipal separate school district, other school district or community/junior college district, as the case may be, and shall be supplemented by funds

from the general fund, contingent fund, maintenance fund or operating fund, as the case may be, in an amount to be determined by the governing board or head of such political subdivision, school district, community/junior college district, institution, department or agency, in their discretion, in order to pay the full costs. In no instances shall the amount of contributions by any governing board or head of a political subdivision, school district, community/junior college district, institution, department or agency hereinabove mentioned exceed an average of one hundred percent (100%) of the cost of all such group coverages for employees.

The governing board or head of such political subdivision, school district, community/junior college district, institution, department or agency is authorized to pay such full costs direct to the insurance company and to the hospital and/or medical and/or surgical service association from the general fund, contingent fund, or the maintenance fund of such county or municipality, or the operating fund of such institution, department, or agency of the county or municipality, or the maintenance fund of such municipal separate school district, other school district or community/junior college district, as the case may be, and to do all acts necessary and proper for the purpose of carrying out the provisions of Sections 25-15-101 and 25-15-103 and of effectuating the purposes hereof. The rates for any and all costs covered by the sections shall be in keeping with promulgated schedules, and

the rates for such costs shall be approved by the Insurance Commissioner of the State of Mississippi. This section shall not be construed to prevent changes in rates based on experience, nor the granting of dividends or rate reductions or credits.

The governing board or head of any political subdivision or other entity set forth in this section may elect to become a self-insurer with respect to all or any portion of group life, salary protection, health, accident and hospitalization benefits on terms and conditions deemed advisable, in its discretion. The administration and service of any such self-insurance program shall be contracted to a third party approved by the Commissioner of Insurance and benefits provided in excess of the self-insurance plan shall be covered by a policy or policies of group insurance or a group contract or contracts issued by a company licensed to do business in this state.

The governing board of any political subdivision or other entity set forth in this section may join with any one or more other such political subdivision or entity to pool the risks authorized to be insured or self-insured under this section or to act as a self-insurer, or to contract for a policy or policies of insurance, or to contract with a third-party administrator for a self-insurance plan * * *.

Any political subdivision or other entity that provides any plan of group insurance or other coverage under this section does not waive, but expressly reserves, its sovereign immunity under

the laws of the State of Mississippi; and all plans and agreements executed by political subdivisions and other entities providing insurance or other coverage under this section shall contain a provision expressly limiting liability for the payment of all benefits for single or multiple claims to the extent of the insurance carried or to the extent of funds available under the self-insurance fund.

Nothing in Sections 25-15-101 and 25-15-103 shall be construed to apply to agencies financed entirely by federally granted administrative funds.

Any governing board or head of any political subdivision or other entity that provides any plan of group insurance or other coverage under this section, and any person with whom such governing board, head of a political subdivision or other entity contracts in the performance of any duty or authority prescribed under this section, shall be liable civilly for the loss or misappropriation of any public funds resulting from their failure to comply with any provision of this section, such funds to be recovered in the manner provided under Section 7-7-211.

SECTION 2. Section 25-15-103, Mississippi Code of 1972, is brought forward as follows:

[Through June 30 of the year in which Section 25-11-143 becomes effective as provided in subsection (1) of Section 25-11-143, this section shall read as follows:]

25-15-103. The maximum amount of group insurance or other coverage used in determining employer's limitation of one hundred percent (100%) of such costs shall be determined by regulations promulgated by the governing board or head of any political subdivision, school district, junior college district, institution, department or agency named in Sections 25-15-101 and 25-15-103, but the life insurance for each employee shall not exceed Fifty Thousand Dollars (\$50,000.00), or the amount of deduction allowed by the United States Internal Revenue Service in filing a federal tax return, whichever is greater. A like amount may be for accidental death; accident, health and salary protection insurance, providing benefits not exceeding sixty percent (60%) of the employee's income, or the amount allowed by the United States Internal Revenue Service in filing a federal tax return, whichever is greater. Hospitalization benefits for room and board may not exceed the average semiprivate cost per day; and the other coverages authorized hereinabove. The limitations in this paragraph on the amount of group insurance and other coverage which employers may obtain for their employees shall not be applicable to municipalities.

Any employee who retires due to one hundred percent (100%) medical disability, or due to reaching the statutory age of retirement under the provisions of the Public Employees' Retirement Law of 1952, being Sections 25-11-101 through 25-11-139, may, if he elects, remain a member of the group plan

for such life insurance and other benefits as may be agreed to by the governing board or institution, department, or agency head and the companies writing such insurance and other coverage, by paying the entire costs thereof.

When any of the political subdivisions, school districts, junior college districts, institutions, departments, or agencies named in Sections 25-15-101 and 25-15-103 have adopted the group coverage plan authorized by said sections, any of the employees thereof participating in the plan who desire to secure additional benefits for their dependents with the company or companies providing such group coverage may do so by authorizing in writing the deduction from his or her salary or wages of the necessary amounts for the full payment of such additional coverage, and the same may be deducted and paid for such purposes, but the entire cost of such additional coverage for dependents shall be paid by the employee.

Said municipality may provide group life insurance coverage for all or specified groups of its public employees and group hospitalization benefits for such public employees and their dependents, and the municipality may pay the total of the cost of all benefits under this section.

[From and after July 1 of the year in which Section 25-11-143 becomes effective as provided in subsection (1) of Section 25-11-143, this section shall read as follows:]

25-15-103. The maximum amount of group insurance or other coverage used in determining the employer's limitation of one hundred percent (100%) of the costs shall be determined by regulations promulgated by the governing board or head of any political subdivision, school district, junior college district, institution, department or agency named in Sections 25-15-101 and 25-15-103, but the life insurance for each employee shall not exceed Fifty Thousand Dollars (\$50,000.00), or the amount of deduction allowed by the United States Internal Revenue Service in filing a federal tax return, whichever is greater. A like amount may be for accidental death, accident, health and salary protection insurance, providing benefits not exceeding sixty percent (60%) of the employee's income, or the amount allowed by the United States Internal Revenue Service in filing a federal tax return, whichever is greater. Hospitalization benefits for room and board may not exceed the average semiprivate cost per day; and the other coverages authorized hereinabove. The limitations in this paragraph on the amount of group insurance and other coverage that employers may obtain for their employees shall not be applicable to municipalities.

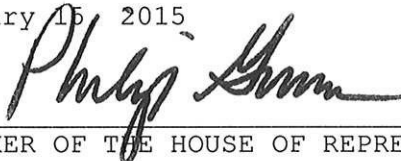
When any of the political subdivisions, school districts, junior college districts, institutions, departments or agencies named in Sections 25-15-101 and 25-15-103 have adopted the group coverage plan authorized by those sections, any of the employees thereof participating in the plan who desire to secure additional

benefits for their dependents with the company or companies providing the group coverage may do so by authorizing in writing the deduction from his or her salary or wages of the necessary amounts for the full payment of the additional coverage, and the same may be deducted and paid for those purposes, but the entire cost of the additional coverage for dependents shall be paid by the employee.

A municipality may provide group life insurance coverage for all or specified groups of its public employees and group hospitalization benefits for the public employees and their dependents, and the municipality may pay the total of the cost of all benefits under this section.

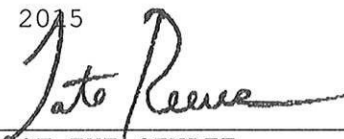
SECTION 3. This act shall take effect and be in force from and after July 1, 2015.

PASSED BY THE HOUSE OF REPRESENTATIVES
January 15, 2015



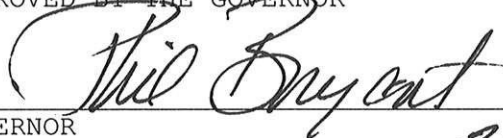
SPEAKER OF THE HOUSE OF REPRESENTATIVES

PASSED BY THE SENATE
March 10, 2015



PRESIDENT OF THE SENATE

APPROVED BY THE GOVERNOR



GOVERNOR

3/17/15
1:33pm